cigarettes and tobacco have been continued to benefit the tobacco growers. Besides, the auction system of the Tobacco Board as well as the annual announcement of a Minimum Support Price are significant facilities available to the virginia tobacco growers.

Coffee Board Suspending sale of raw coffee beans

3535. SHRI G.Y. KRISHNAN: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the Coffee Board has suspended the sale of raw coffee beans resulting in the prices of both the seeds and powder shooting up;

(b) if so, the reasons therefor;

(c) whether the coffee exporters have urged his Ministry to convene an urgent meeting of all the group interested in coffee including the Coffee Board to formulate a long term policy for the Indian coffee industry:

(d) if so, the reaction of his Ministry thereto; and

(e) how does his Ministry propose to strike a balance between optimizing forex earnings from coffee exports and the needs of the domestic market?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b) The sale of raw coffee beans through outlets of Coffee Board was suspended from the end of July, 1994. This cannot be said as the reason for the rise in prices of coffee seeds and coffee powder. There has been a sharp rise in the prices of coffee in most auction centres of the world. Since the sale through the outlets of the Coffee Board was less than even 10% of the domestic demand and there was allegation that coffee sold through these outlets were diverted to open market due to perceptible price difference between Coffee Board and private trade, such sales were stopped.

(c) to (e) Yes Sir. After receiving a number of proposals from various interested groups and in view of the sharp rise in auction prices of coffee and resultant upward trend in retail prices, the Government have recently directed the Coffee Board to restrict release of export permits for coffee to a quantity not exceeding 1,10,000 tonnes only for the period 1.1.94 to 31.12.94 and a monthly quota not exceeding 5000 tonnes from Sept. to Dec., 1994. The Coffee board has also been directed not permit export of 'C' grade, 'BBB' and Peaberry grades of coffee till further orders so that such grades of coffee are available to the domestic consumers.

Tea Exports

3536. SHRI G.Y. KRISHNAN: Will the Minister of COMMERCE be pleased to state:

(a) whether Governments attention has been drawn to the news item captioned "Indo-Lankan race for Iraqi Tea Market" appearing in the Business Standard, New Delhi dated the 4th August, 1994;

(b) if so, the reasons for which Sri Lanka is ahead in the race having managed a quantum increase in its tea exports to Jordan, much of which reportedly finds its way into Iraq, when both India and Sri Lanka are, as per recent pact, trading partners in export of Tea; and

(c) what steps are being taken to make up for the large markets for Indian Tea lost in Russia and Iran?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) and (b) There are at present, no exports of tea to Iraq in view of sanctions imposed by U.N. against that country. So far as exports to Jordan are concerned, Sri Lanka was ahead of India even in previous years and there is no agreement between India and Sri Lanka to be trading partners in tea exports to either Jordan or Iraq.